



---

---

## WISCONSIN LEGISLATIVE COUNCIL AMENDMENT MEMO

---

---

<b>2003 Assembly Bill 610</b>	<b>Assembly Substitute Amendment 1 and Assembly Amendment 1 to Assembly Substitute Amendment 1</b>
<i>Memo published: January 27, 2004</i>	<i>Contact: Nicholas Zavos, Staff Attorney (266-1308)</i>

**Current law** does not require loan originators to take an initial competency examination nor does it require registered loan originators to take any continuing education.

**2003 Assembly Bill 610** (the bill) establishes competency examination and continuing education requirements for loan originators. With certain exceptions, the bill requires a person applying for registration as a loan originator to pass an initial competency exam. In addition, to renew his or her registration, a loan originator must either complete 16 hours of education in mortgage financing transactions and the laws regulating mortgage bankers and mortgage brokers, or pass an exam demonstrating sufficient knowledge of those subjects. Under the bill, the competency examinations are administered by the technical college system board or by a professional trade association whose members includes loan originators.

**Assembly Substitute Amendment 1** (the substitute) makes two changes to the bill. First, the substitute exempts from the examination and education requirements loan originators who are employed by an affiliate of a credit union, bank, trust company, savings bank, savings and loan association, insurance company, or a land mortgage or farm loan association. Second, the substitute allows any person approved by the division of banking to administer the competency examinations.

**Assembly Amendment 1 to Assembly Substitute Amendment 1** requires the Department of Financial Institutions to promulgate rules that establish standards to identify who qualifies as a loan originator.

Assembly Substitute Amendment 1 and Assembly Amendment 1 to Assembly Substitute Amendment 1 were adopted by the Assembly Committee on Financial Institutions by a vote of Ayes, 15; Noes, 0; and Not Voting, 1 on January 21, 2004.

NZ:ksm:jal